

Message Text

LIMITED OFFICIAL USE

PAGE 01 BONN 00251 071752Z

43

ACTION EB-07

INFO OCT-01 EUR-12 IO-10 ISO-00 L-02 FRB-01 OMB-01 TAR-01

SP-02 AGR-05 AID-05 CIAE-00 COME-00 INR-07 LAB-04

NSAE-00 OIC-02 RSC-01 SIL-01 STR-01 TRSE-00 CIEP-01

CEA-01 PA-01 PRS-01 USIA-06 FEAE-00 /073 W

----- 082328

R 071741Z JAN 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 7129

INFO USMISSION OECD PARIS

USMISSION EC BRUSSELS

USMISSION GENEVA

AMEMBASSY PARIS

AMEMBASSY LONDON

LIMITED OFFICIAL USE BONN 00251

E.O. 11652: N/A

TAGS: ENRG, ETRD, UNCTAD, OECD

SUBJECT: INDEXATION OF COMMODITY PRICES

1. IN RECENT CONVERSATIONS WITH EMBOFFS, FRG ECONOMICS MINISTRY OFFICIALS (MULLER-THUNS, KUEHN, KIPPER) HAVE EXPRESSED INCREASING CONCERN ABOUT PROPOSALS BEING ADVANCED IN NUMBER OF QUARTERS FOR INDEXING COMMODITY PRICES. ALTHOUGH THEY REALIZE THAT US AS WELL AS OTHER INDUSTRIALIZED CONSUMER COUNTRIES HAVE EXPRESSED RESERVATIONS ABOUT INDEXATION, THESE OFFICIALS FEAR THAT THE DANGERS IMPLICIT IN ACCEPTANCE OF ANY FORM OF INDEXATIONX ARE NOT FULLY APPRECIATED. FOLLOWING PUBLICATION OF JAN 6 TIME MAGAZINE ARTICLE QUOTING THE SECRETARY'S STATEMENT THAT US WAS WILLING TO CONSIDER LINKING OIL PRICES TO INDEX OF OTHER COMMODITY PRICES, TWO ECONMIN OFFICIALS CALLED

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BONN 00251 071752Z

EMBASSY TO EXPRESS THEIR CONCERN THAT US WAS NOT

SHIFTING ITS POSITION. WE RESPONDED THAT THE SECRETARY'S STATEMENT REFLECTED NO CHANGES IN US-POLICY- JBY NOTING THAT AS EARLY AS JULY ECG MEETING THERE HAD BEEN DISCUSSION OF INDEXATION AS POSSIBLE ALTERNATIVE IN SEEKING MEANS TO REDUCE OIL PRICES. THESE FRG OFFICIALS INDICATED THAT THEIR CONCERN WASNOT LIMITED TO PROBLEMS CONNECTED WITH INDEXING OIL PRICES. THEY VIEW SUCH INDEXING AS A DANGEROUS PRECEDENT FOR HANDLING OTHER COMMODITIES. ONCE THE CONSUMER COUNTRIES GIVE IN ON QUESTION OF INDEXING OIL PRICES, THEY BELIEVE IT WILL BE IMPOSSIBLE TO BLOCK PRESSURES FROM OTHER PRODUCERS TO INDEX ADDITIONAL COMMODITIES.

2. DR. KIPPER, WHO DIRECTS OFFICE FOR RAW MATERIAL POLICY IN ECONMIN, BELIEVES THE INDUSTRIALIZED COUNTRIES SHOULD PREPARE CAREFULLY FOR DEBATE ON INDEXATION WHICH WILL TAKE PLACE AT FORTHCOMING UNCTAD MEETING STARTING FEB 10. HE HOPES US WILL SEND DELEGATE FROM WASHINGTON TO JAN 23-24 OECD TCWP, FOR HE VIEWS THIS MEETING AS LAST OPPORTUNITY FOR EXCHANGE OF VIEWS (I.E. PROSELYTIZING ON HIS PART) PRIOR TO UNCTAD MEETING. IN KIPPER'S VIEW, PREVIOUS DISCUSSION ON INDEXATION AT DEC TCWP WAS NOT PARTICULARLY HELPFUL SINCE ONLY A FEW DELEGATES WERE SUFFICIENTLY ACQUAINTED WITH PROBLEM TO PARTICIPATE IN THE DEBATE.

3. ACTION REQUESTED: WE WOULD LIKE TO INFORM KIPPER OF NAME OF US DEL TO JAN 23-24 TCWP. WE WOULD ALSO APPRECIATE RECEIVING CURRENT WASHINGTON VIEWS ON INDEXATION PROPOSALS LIKELY TO ARISE AT UNCTAD MEETING. CASH

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMODITIES, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 07 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BONN00251
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750006-0669
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750174/aaaacmut.tel
Line Count: 96
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 16 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 APR 2003 by MartinML>; APPROVED <17 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INDEXATION OF COMMODITY PRICES
TAGS: ENRG, ETRD, UNCTAD, OECD
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006